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NEWS SUMMARY

GENERAL

Gang seizes £1/2m. at airport

Police hunting three men who made off on Thursday night with a haul worth more than £500,000 from a strongroom at London's Heathrow Airport believe the robbery may have been an inside job. They think it would have been impossible without help from past or present airport staff.

Dressed as British Airways employees the gang got away with £268,000 in used notes—mainly dollars—gold bars worth £80,000, polished diamonds worth £60,000 and other gems. Three watches were also stolen.

The thieves seized their haul after intimidating the high-security site's one-man guard with an automatic pistol. The guard said he let them in because he had no reason to believe they were not fellow workers.

Army hold tightens in Lebanon

Brigadier-General Aziz Ahmad, Moslem leader of the military coup in Lebanon, said last night that President Suleiman Franjeh was now "considered to have resigned." However, there has been no official statement of resignation from the Christian president, and it is now expected that Parliament will to-day ask him to step down at the demand of the Lebanese Armed Forces Command. Back Page. Feature and Middle East News, Page 12

Frigate rammed off Iceland

The frigate Jutland was deliberately rammed by the Icelandic coast-guard vessel Tyr yesterday afternoon. The Navy announced, but there was no serious damage. Later, there was a second incident when the frigate Mermaid and gunboat Thor collided.

French trawlers in trouble

An air-sea search was taking place last night after two French trawlers near Mayday calls in gale conditions of the Scillies.

Bombs made by pupil at school

Scotland Yard has launched inquiries following discovery of an 18-year-old pupil of Radcliffe comprehensive school at Wolverton, Milton Keynes, Bucks, working on five home-made bombs near the school's science laboratory.

King to wed

King Carl Gustaf of Sweden, 39, is to marry Fraulein Silvia Sommerlath, 32, a West German commoner.

Briefly . . .

Nigeria is seeking the return from Britain of its former leader General Gowon, who is studying at Warwick University. Page 12

Sussex police said they no longer wish to question estate agents Mr. Christopher Smith and Mr. Derek Ritchie about the Bewbush land deal.

Seven climbers caught in two separate avalanches in the Cairngorms have been rescued. Most of the casualties had broken limbs.

Two Norfolk social service workers, who were criticised after a 16-month baby had starved to death, are not in be disciplined, the county social services committee has decided.

Gas supplies have returned to normal after an explosion and fire at one of the main North Sea gas terminals. Page 11

Mr. Frank Cooper, 53, Permanent Under-Secretary at the Northern Ireland Office, has been appointed Permanent Under-Secretary at the Ministry of Defence. Page 11

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	Anglo American	230 + 15
RISKS	Anglo Amer. Gold	221 + 12
Albright and Wilson	100 + 4	
Allen (E) Balfour	78 + 4	
Amalgamated Metal	225 + 5	
Anglo American Ind.	500 + 23	
Barcl. (W)	110 + 3	
Beaton Clark	90 + 5	
Bentley	140 + 10	
Beth. (L)	216 + 10	
Brown G. Cleaners	137 + 6	
C. & Black	124 + 3	
Executive	53 + 5	
Finance	107 + 11	
Foodstuffs	306 + 8	
Gen. Enz.	615 + 10	
Electric Tools	116 + 4	
Transport	422 + 6	
FALLS		
Fisons	370 - 18	
Glass	370 - 12	
Imry Prop.	147 - 6	
InterEuropean Prop.	621 - 4	
Lloyd's Bank	223 - 5	
Leslie and Godwin	126 - 4	
Lister	281 - 103	
Minerals	203 + 10	
Westfield Minerals	210 + 20	
Premium		

£2bn. imports lift trade deficit to £129m. last month

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A jump in the U.K.'s balance of payments deficit from £53m. to £129m. between January and February was announced by the Department of Industry yesterday.

This sudden deterioration does not alter the recent picture of an improving trend in the deficit—from an annual rate of £1.3bn. in the three months September-November to just under £1bn. in December-February. But the figures serve as a reminder that the balance of payments is still regarded as a major constraint on economic policy.

Even in the depths of the recession the U.K. has been running a relatively large current account deficit. Now, as evidence mounts of an important recovery in output and orders, the dominating factors are that growth is being exported in the way policy makers have long hoped for, but that the change from running down stocks to levelling out and some rebuilding may already have begun, boosting the import figures.

Both the trend of export deliveries and the Department of Trade's forward projections based on order books look very healthy. Although exports last month fell by over 1 per cent. (to £1.75bn.), this was from a very high figure. In the past three months exports have been 4 per cent.

Confident

But behind the fall lies a rise in the volume of imports of basic materials—up 7.5 per cent. in the latest three months—which is in accordance with the general impression that the economy has not only reached the end of the recession in output but has turned round quite sharply.

It was known that the effect

GILTS were calmer. The trade figures erased earlier gains of 4 in longs, while losses in shorts ranged to 1 at the close. The FT Government Securities index fell 0.04 to 61.20, for a loss of 0.67 on the week. The FT-Actuaries All-Share index ended 0.1 per cent. lower to 189.25.

GOLD fell \$1 to \$133.

DOLLAR improved against most major currencies. Its weighted depreciation narrowed to 2.08 (2.21) per cent.

WALL STREET closed 15.67 down at 987.84 on fears of a tighter Federal Reserve monetary policy.

Nuclear fuel contract share

BY RUPERT CORNWELL IN PARIS AND MICHAEL BLANDEN IN LONDON

THE French franc yesterday came under its heaviest pressure since the latest foreign exchange crisis began, as speculation intensified that the currency will not long be able to escape some form of devaluation.

In spite of Bank of France intervention, estimated at 500m. (£200m.), the franc remained pinned throughout the day to its EEC joint float floor of ECU.76.425 for DM100. In late dealings in London the franc dropped through the floor to ECU.76.5 for DM100.

Yesterday's support operations in Paris and Frankfurt were estimated to have topped the 500m. (£200m.) spent by the French and German central banks. With intervention reported in other centres, it was estimated that total support operations by European central banks may have cost up to \$1bn. (£200m.).

This was in spite of a steader performance by the pound in the market, which it had been hoped might take the heat off the franc.

In the afternoon, though, the pound slipped again in uncertain exchange markets in spite of Paris as inevitable unless the

authorities take action

view of the French authorities, at least publicly, is that the pressure is entirely due to the sharp fall in the pound since last week. M. Jean-Pierre Fourcade, Finance Minister, has implied that the blame for the straits in which the franc finds itself lies with the U.K. authorities handling of sterling.

However, his suggestion that the answer to the turmoil lay in the re-entry of both pound and lire into the joint float seems to have made matters only worse.

The market has taken his words as confirmation that some such changes in the make-up of the snake—the band to which the joint float is limited—will provide a face-saving camouflage for a technical re-adjustment in the parity of the franc against the mark.

In spite of the intense pressure, many still believe that the French Government will fight tooth and nail to avoid the humiliation of devaluation, either by changing the snake parity, or by dropping out of the float altogether just eight months after the franc's return.

In that case the options con-

Continued on Back Page

Continued on Back Page

Companies

LEONARD FAIRCLOUGH pre-

tax profit for 1975 increased to

£4.97m. (£4.11m.). Directors

believe the group will make sub-

stantial progress this year. Page 15

GOVERNMENT campaign

against cars heavy on fuel con-

sumption is foreshadowed in the

Economy Bill published yesterday. Page 15

EXPORT - WINNING Land

Rover and Range Rover produc-

tion is expected to be hit shortly

as pickets take effect at all eight

Leysland Rover factories in

Birmingham and Cardiff over a

pay dispute by 400 toolroom

workers. Page 15

PENRAD announces a share

issue to raise £800,000. The

group recorded a reduced loss of

£286,231 (£389,050) for 1975. Page 16

LISTER recorded a first-half

pre-tax loss of £349,000 (£523,000 profit). Directors hope that

economies in the second half will

show a material reduction in the

rate of loss. Page 16

FRANCE wants EEC per-

mission for a temporary curb on

imports of Italian shoes and

women's tights on the grounds

that the decline in the lira is

distorting conditions of competi-

tion in the Community.

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Coronation Syndicate

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FT-Sotheby art review

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FT-Sotheby art review

12

FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

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FT-Sotheby art review

21

Your savings and investments

'aking up the slack

CHRISTOPHER HILL

FOCUS of attention this entrenched and the disenchantment will come after the price has jumped about £1 on has been the rate of growth with South Africa has Budget when perhaps, some last month's rating to £10.80. and once again the talk diverted attention to Australian performance can be shown. Perhaps there is also more currency hedges and the mineral prospects. The recently Irreparable as ever he also money in selling commodities to the larger investor—the Warburg fund has grown to £8m. since it was launched in July.

• SERVICES

Poor man's

Exetel

ONE NEW service to come to notice this week is a condensed version of Exetel's Financial Data Bank produced in a loose-leaf form based on 700 leading companies. It is produced by Financial Analysis (a South African firm) and is called the Investors' Digest. Naturally it cannot compete with Exetel for the scope or the depth of its coverage but for £16 per annum it provides an updating service which is probably sufficient for the individual investor or the investment manager who wishes to carry around a handy pack.

The promoters pay a royalty to Exetel for the information. The Metals Trust—designed for in-address is Investors' Digest, Malcolm House, 12, Orange Street, Haymarket, London WC2H 7ED.

• COMMODITIES

Mixed feelings

AFTER LAST week's launch of the rival M & G and Lawson copper especially has been showing its paces. Compared with a month ago cash wires bars were standing at £685 a tomo on Wednesday against £688 and the Sunwest Copper Trust has benefited accordingly.

Whether the managers had been gauged the investors' temper accurately and whether the Trust has benefited accordingly.

in the event after one the original £10 units now being quoted at £11.31-11.90 (Wednesday's price).

Exetel is designed as a medium for the smaller investor to take a direct holding in the metal, but the Warburg

Metals Trust—designed for in-address is Investors' Digest, Malcolm House, 12, Orange

Street, Haymarket, London WC2H 7ED.

It will admit that it is disappointed with the response, but there is a noticeable lack of enthusiasm for the sales figures.

M & G intends to soldier on with its promotion, but Freddie result of having 67 per cent of its fund in copper. The unit

is Lawson reckons that his main

is the market with the scope left to retrace its

but it would be unwise

for those levels again

to be seen to be happening

however, is that the confidence of overseas investors like M & G and G.T. has been

in the market (they been building up holdings)

real interest is also on the

use. With recovery in the

motion the Hong Kong

is always beneficial,

there is also a lot more

WOULD appear that will alter this position and from

which had never really that maximum allocation plans will be on the

the mineral boom. In their current open-ended form

market.

it is the interest in base metal this month. A ring-around

ers has received and those life companies still market

Bank's Australian

who runs Barclays Uni-

Australia as well as the of Man based Australian

Fund reckons that a

is coming on the

rs side once prices start

though a lot of the

look expensive at the

ent.

and G with its Australasian

General Fund is somewhat

circumstances about the

tral market but is basic

optimistic now that the new investment rather than photic

overnment is better

The new qualifying rules

are however, certain

March 30 as its deadline.

life companies which intended to market their existing contracts right up to the deadline

—the close of the office on March 31. I am told by Trident

Life, Albany Life, Hamble Life and Merchant Investors that

provided the completed applica-

tion form and the cheque for

the first premium is in one of

their branches before the close

and there are no underwriting

complications, the plan in its

old form will qualify. Vanbrugh

Life, which only markets its

plans through insurance

brokers is also taking business

up to the last moment, but

Schröder Life is avoiding last

minute complications but mak-

ing March 30 as its deadline.

There are however, certain

March 30 as its deadline.

property investment. And secondly, we decided that in times of uncertainty, smaller properties would be better able than larger properties to retain their value as they were more marketable.

This policy has proved successful, for during the steady market conditions of 1971 to 1973 the value of the properties in our fund did in fact increase steadily, resulting in an increase of 30.9% in the offer price of units by January 1974. In 1974, when property values fell, the value of our

properties and the price of units fell significantly less than the property market in general. Since the beginning of 1975 the price of units has once again been rising.

For the future we believe that by following this policy of maintaining a highly selective portfolio of prime properties, the Save & Prosper Property Fund will be well placed to meet most market conditions. In particular, the fund is especially well suited to current market conditions, as explained below.

Everything else you should know

WITHDRAWAL FACILITY

When you invest £1,000 or more in a Bond, you may withdraw between 4% and 8% of your original investment each year.

Basic rate income tax payers will have no liability to this rate of tax on withdrawals of any amount.

Higher rate and additional rate tax payers may withdraw up to 5% of the original investment each year for the first twenty years without giving rise to any liability to these rates of tax during that period. These withdrawals will however be taken into account in calculating any liability to these taxes when the Bond is eventually encashed.

In using this facility you should bear in mind that any rate of withdrawal that exceeds the growth rate of our investment will result in a decline in capital values. For this reason you can vary your withdrawal rate or discontinue using it, subject to two months' notice.

Payments are made half-yearly on the last day of the month you select, the first payment being not less than two months after the purchase of your Bond.

Ful details of this facility and its tax treatment are available on request.

Charges. There is an initial management charge of 5% plus a rounding adjustment (not exceeding the lower of 1% or 1%) which is deducted from the value of the Bond on the date of investment. There is also an annual management charge of 1% of the value of the Fund to cover life insurance and administrative costs.

The rates of property management, valuation and other expenses of the Fund, including buying and selling properties, are borne by the Fund.

Current Tax Position. You have no personal liability to capital gains tax as this is already allowed for in the price of units in the Property Fund. You also have no liability to stamp duty on the Bond, both whilst it is in force and when it is cashed.

There is no liability to higher rate and/or additional rate tax if you cash in the bond either wholly or partially, or on your death. If you cash in the bond within 12 months of the withdrawal facility being opened the first two years of the tax charge at that time will be only on the excess of withdrawals over the 5% level.

Switching Facility. At any time you may switch your investment from the Property Fund to one of 25 other Save & Prosper Group funds, at a rate of exchange which is determined by the Fund manager. Any personal capital gains tax liability will be only on the excess of withdrawals over the 5% level.

Capital Gains Bond. You may cash in your Bond at any time and receive the full cash value based on the bid price ruling. However, we reserve the right to delay repayment or switching for a period not exceeding six months, in order to avoid having to sell properties during a period of general market decline. This extension, would only be used in exceptional circumstances.

PROPOSAL FOR AN INVESTMENT BOND LINKED TO

SAVE & PROSPER PROPERTY FUND

SAVE & PROSPER INSURANCE LIMITED 4 GREAT ST. HELENS LONDON EC3P 3EP. TELEPHONE: 01-554 8839

Registered in England No. 322265. Registered office as above.

1. I, the undersigned, being a person of sound mind, of the age of 18 years or over, make this proposal in my name and on behalf of my family.

2. I, the undersigned, make this proposal in my name and on behalf of my family.

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Finance and the family

Reclaim of tax abroad

BY OUR LEGAL STAFF

Would a British person living in India be able to reclaim tax credits or withholding tax etc. if charged? There is no double taxation you are able to pass that re-agreement between India and responsibility on to your tenant the U.K. (except in relation to dependents on the terms of the estate duty and CTT on death).

It is unlikely that a British subject resident there would be entitled to recover any part of the tax credit attaching to U.K. dividends, under Section 27 of the Income and Corporation Taxes Act 1970, as amended, unless either (a) the greater part of his income arose from U.K. sources or (b) his income from all sources worldwide was only a few thousand pounds. The possible combinations of figures and personal reliefs which affect calculations under Section 27 are so numerous that we cannot be more specific.

Responsibility to fell trees

I have received a letter from the Department of the Environment telling me I should fell some trees in a field owned by me, but let for the past 30 years to a farmer. Must the trees be felled and if so is it my responsibility or my tenant's?

Tax on a police pension

My stepson receives a pension from the Hong Kong police which is paid to him monthly by the Crown Agents who deduct tax on a PAYE basis. Since the pension emanates from abroad, and is calculated in Hong Kong dollars, I asked the Inspector of Taxes to tax the pension on a preceding year basis. Despite the fact that the 10 per cent. Foreign Pension allowance is given the Inspector maintains that since the pension is paid by the Crown Agents it should be taxed via PAYE. I would have thought it was the origin of the pension not the paying agent that determined the basis of taxation. Am I correct?

The tax inspector is right. Your stepson's Hong Kong police pension is chargeable to tax under

There is a responsibility to fell known as the small companies investments other than shares in the diseased trees, and this falls rate. Dividends on shares in such as a U.S. Savings and in the first instance on you as U.K. companies will not attract Loan Term deposit certificate?

The freehold owner. Whether additional tax, any income tax deducted at source from interest or dividends on shares in overseas companies will be set against the corporation tax liability. A brief guide to corporation tax is available from your local tax inspector's office, either by post (without charge) or over the counter; you should ask for booklet IR18.

For what you say, the league is not liable to register for VAT, because the granting of a right to take part in a lottery is exempt (under group 4 of schedule 5 to the Finance Act 1972, as amended). There are two free booklets which you will find helpful: "VAT: General Guide" (VAT notice 700) and "VAT: Scope and Coverage" (VAT notice 701). These are obtainable from your local Customs and Excise office, or by post from 39 Mark Lane, London, EC3R 7HE.

Currency premium

I have been non-resident in the U.K. for many years. When I return shall I be able to obtain the premium on

The tax position depends on the league constitution. Probably it is an unincorporated association and therefore liable to corporation tax, under section 526(5) of the Income and Corporation Taxes Act 1970. The rate of corporation tax for the current financial year, ending March 31, will probably not be revealed until the Budget on April 6; for the two years ended March 31, 1975, the rate of corporation tax for profits up to £23,000 was 42 per cent. (this is what is

able to tax under this schedule. The territories to which this paragraph applies are:—(i) any country forming part of Her Majesty's dominions, (ii) any other country for the time being mentioned in Section 1(3) of the British Nationality Act 1948, and (iii) any territory in which this paragraph applies (but otherwise than under Her Majesty's protection). In this paragraph "relevant service" means the service of the public revenue of Northern Ireland, to a person who has been employed in the U.K. in respect of that service, applies.

The 10 per cent. allowance is so payable to the widow, provided by Section 22(3) of the Finance Act 1974: (3) A deduction of one-and-a-half per cent. of the pension or annuity shall also be allowed in charging any chargeable to tax as a pension or annuity to tax under resident in the U.K. the paragraph 4 of Schedule E."

Education

Paying her way

"I by this time was in a means doing two jobs," I said. "It must be a struggle." She despaired position and, after a visit from the police concerning my son mixing with other bad boys and lighting fires, etc. I decided to take action.

"I had already been to see the headmaster, who practically nodded. She works under the name of Miss Kismet. She is the famous belly dancer, Anita."

The upshot is that on two or three days a week she now comes home from her secretarial work, makes her son a meal, and leaves him to do his homework and watch telly while she does her second job. She works under the name of Miss Kismet. If it is Greek, her title is "the famous belly dancer, Anita."

And if the reaction of her audience at the Kalamazoo Kebab house in North London this week was typical, she is greatly appreciated. The pay is afford to furnish, and asked for not great—varying between £3 and £6 a performance—but there are usually tips which by tradition grateful anything for me. For a couple

watchers tuck into her clothes of years we ate our meals off as she sways and vibrates a packard case. There was

Wanting to know more, I went to see Mrs. Hughes one evening. Her flat was in a big council block at the top of four flights of stone steps, strewn with litter.

The windows of the stairway were all smashed. But the forecourt below held a double row of mostly new cars.

"So you would rather pay for private school even though it

First they expanded from retail stamp-dealing into the auction business by acquiring the old-established firm of Harmer Ronke, now Stanley Gibbons Auctions. The publishing division and the auction rooms were located at Drury House in nearby Russell Street. More recent developments have included a healthy interest in picture postcards, autographs and postal history material and one suspects that other forms of ephemera are under scrutiny at present. Previews round the corner in 37 Southampton Street, formerly housing Stanley Gibbons publications, have now been transformed into one of the finest centres for antique maps in London to-day.

Probably the most important decision of all was that taken five years ago when Gibbons set up a department selling paper money. This was a courageous step, at a time when numismatically was the firm's sole field of banknote collectors in this country was under a



The original Mr. Gibbons



authorities will send him to a comfort while his mother's working day and night just to keep respectable? That's not a good example for him."

Fortunately she sets him one. And if they would only open their eyes to it, she would serve as a good example for those educational theorists who continue in their belief that opting out of the State system is the preserve of middle-class families clinging on to their prejudices.

Anita Hughes is not middle-class. Her only prejudice is a determination that her son will grow up to respect himself.

Much as did Mr. Fred Mulley, the general labourer's son who has now become Secretary for Education and Science, with the aid of a scholarship to the Warwick public school.

MICHAEL DIXON

Insurance

Trouble at home

BY JOHN PHILIP

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

be established if would undoubtedly be effective to protect the sub-tenant against the head lessor; that is, the lease may be forfeited for breach of covenant, but the sub-tenant would then hold of the head lessor as a statutory protected tenant. Whether the lessee could obtain possession against the sub-tenant would depend on the terms of the sublease and on whether a claim for possession could be brought on one of the grounds specified in the 3rd Schedule to the Rent Act, for example, Case 8.

Diversion of water

There is a small pond in my garden adjacent to the road, into which surface water from the road flows after heavy rainfall and causes me various kinds of nuisance. I have had some unprofitable

correspondence with the local authority on the subject and would like to know whether the authority has the right to allow this water to drain into my pond and what happens if I fill in or wall off the pond so that the water cannot get in and thereby floods the road? What do you advise?

The highway authority has no right to divert natural drainage to your land without providing the means to carry off the water in question. You could therefore close off the access of surface water to your pond (provided that the existing state of affairs has not lasted for 20 years or more) and leave it to accumulate on the road. However, you would probably find it no more expensive to consult a solicitor with a view to getting a positive response from the highway authority.

If statutory protection can

AS A COMMUNITY we all seem who account for around 30 per cent of the total. But among us we pay in terms of human what might be called the work-death, pain and suffering during age group 15 to 64, 40 per cent of the intensive use of motor vehicles, of the victims are to be found, and as might be expected, some 7,000 fatalities a year, rather more victims are women around 90,000 "serious" injuries (injuries where the victims have to be removed for hospital treatment) and some 250,000 "slight" injuries. Indeed, unless this casualty rate is reduced, perhaps by a growing body of restrictions, the newly born child has approaching a one-in-two chance of sustaining a road accident in his lifetime.

Yet many people still buy personal accident insurance, which should not be limited to accidents occurring at any particular place or time or in any given circumstances. Full round-the-clock 24-hour cover is worth having, if such cover is a road accident in his lifetime.

By comparison, employment personal accident policies restricted to road and travel accidents are far fewer—accounting for some 1,000 accidents a year, and in premises within the factories legislation approximately 75,000 injuries of all kinds; yet seemingly far greater efforts are continually being made, and particularly since the passing of the Health and Safety at Work Act in 1974, to reduce the incidence of work

accidents and the seriousness of the injuries thereby caused.

What is so often overlooked is that so far as accidental death is concerned, the average home is a far more dangerous place than office or factory and that it is, in fact, as dangerous a place as the average road. Some 7,000 people die in domestic accidents each year. Almost certainly the risk of fatal injury in the home is greater than on the road, though there are as yet no national statistics to support this assumption.

But a few days ago a survey—Collection of Information on Accidents in the Home, prepared by two members of the Home Office's Scientific Advisory Branch, and published by the Department of Prices and Consumer Protection—suggested that one person in 64 has an accident in the home each year.

The survey is based on some 16,500 cases reported from six representative boroughs in 1973-1974, and took into account returns from hospitals, doctors, health visitors and fire brigades. If the survey sample is truly representative then each of us will sustain domestic injury in our lifetime.

Not surprisingly, young children comprise a high percentage of domestic accident victims, particularly those under four. In the package policy, it is usually the amount of weekly benefit that is the controlling feature, because insurers try to ensure that the amount of this benefit is no more than commensurate with the policyholder's average earnings and preferably lower. Their view is that the policyholder ought

Once behind your own closed doors you are not as safe as you think. Indeed there is a statistical inevitability of injury.

death is statistically under-taxed of the road death accident risk, and where the risk of serious injury is negligible. Many insurers sell personal accident cover—both in the market and at Lloyd's—and though there is no tariff, there is broad similarity between the policies on offer. General practice is for insurers whatever sum he wishes to provide either a basic irrespective, of his social and package, permitting the policyholder to buy, if he wishes, always to his ability to pay several units of cover, or to the requisite premium.

Generally insurers take the view that the individual should be entitled to ensure his life for

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One will be a capital sum payable on death or serious injury resulting in loss of sight or of limb or in permanent total disablement, and the other a weekly amount which is payable only during the period of injury disablement.

In the package policy, it is usually the amount of weekly benefit that is the controlling feature, because insurers try to ensure that the amount of this benefit is no more than commensurate with the policyholder's average earnings and preferably lower. Their view is that the policyholder ought

CHESS SOLUTIONS

Solution to Position 105
No. after 1... P-N5; 2 QxNP; R-Q5 Tal won by 3 RxP! QxP;

4 Q-B8 ch, Q-B1; 5 QxQ mate.

Solution to Problem No. 165
1 A-B5, A-Q4; 2 QxP, Q-Q5; 3 Q-Q5 mate. If 1... Q-Q4; 2 K-B6,

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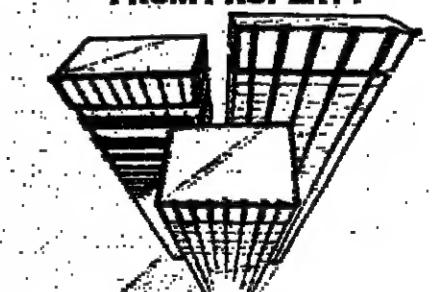
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Motoring

Good,
bad,
ugly

UART MARSHALL

ONLY possible reason for a comrade's car from Europe instead of one in Britain, West Europe, is that they are cheap, speaking, they are nasty.

Five Moskvich is to me instantly why the Union had to ask Fiat to help to make a motor the East German Wartburg four-cylinder

its smoky old three-stroke cannot meet emission requirements with the elegance of being given the bum's closing time. The rear Skoda 1000 (1.1) even keel Renault Dauphine had an unlamented death ten years ago) has a ion for deficient road

success as they joyed here has been due to rock-bottom pricing 1.1-litre Moskvich from the roomy, five-seater Skoda from £1,079. In

landmarks, they cost in rums twice as much as here. But the waiting them are long. Eastern is as car hungry as any st society.

two latest cars to come onecon, and which are leading their sales drive are the Lada and Polski.

da is a Fiat 124, modified

and the Soviet Union's

country roads and

weather. The Polski is

on the Fiat 125, which

ut of production in Italy

cars ago.

ve been using a Polski

car (version of the 125

made in Italy) for more

ix months. At first sight,

dream come true. The

ace for the middle-class

st, newly impoverished

ation, to buy a brand-new

car.

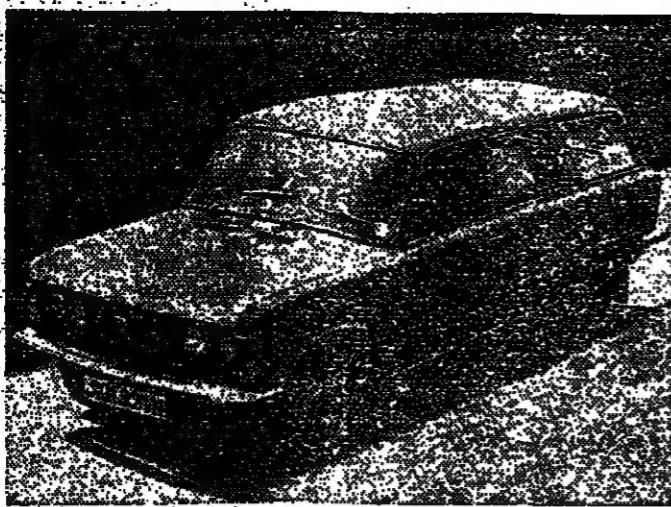
he specification is impres-

The brakes are all-die-

power assistance. Its four

nger doors have safety

s in their trailing edge.



The Polski Fiat

There are four headlamps, reclining front seats, laminated windscreen, lockable fuel cap, trip speedometer and a dipping mirror. The list of built-in extras

is what one expects of a Japanese car. Yet it costs only £1,649, and the saloon is £200 cheaper.

The Polski 125 is not the same as the Turin Fiat 125, however, though outwardly there is little to tell them apart. The engine is an aged 1.5 litre, not a sporty twin overhead camshaft 1.6 litre, and it develops 70 horse-power compared with the Italian car's 90 horsepower. Performance is adequate for a family car, a top speed of close to 90 mph, and a 70-75 mph cruising rate. Much the same, in fact, as a Cortina 1300.

Its four-speed gearbox (the Italian 125 had five speeds) is pleasant and top gear acceleration between 45 mph and 65 mph is surprisingly good. Fuel consumption is unspectacular: my 26.5 mpg over 5,000 miles reflects a lot of short journeys — 30 mpg or more is possible on a long run. Three-star will do, but the engine prefers four-star. It is an immediate starter, however cold the weather, and the heater is blasting out hot air within a few hundred yards. The face level, fresh air vents are so ineffective as to be little used than decorations.

For a simple, rugged car, designed to cope with rough roads (the engine has a sump guard as standard) the Polski does not ride at all badly. It rolls a bit on corners, but I would judge the typical Polski buyer to be less interested in performance than in long-term reliability. The steering is very heavy at low speeds and the turning circle ponderous. But, for the undemanding owner, the Polski gives the pleasure a car to go on for ever.

Polski Car Imports (GB) are well aware of the problem and has recently set up a dockside centre where the cars are carefully checked over before going to dealers, who then give them a further pre-delivery inspection. A year-old Polski 125P could be a good buy for some one putting strength before sophistication. By that time any minor snags would have been revealed and, hopefully, remedied. The Polski gives the impression that it would then go on for ever.

It is not use blaming nurserymen for this spectacular decline. They are always ready to grow anything from which they can make a profit, and they gave up violets because there was no longer an adequate demand for them.

I suspect that the change had little to do with a change in preferences; that people do genuinely still love violets as they say they do. What happened was that the old race of professional gardeners in professional employment died out and the violets went with them.

For what I think has been inadequately recognised is that garden violets really do need cultivation. As Mrs. Zambra used to point out, they fit well in the kitchen garden. They love the fat soil that comes from regular cultivation and generous feeding, and also benefit in

summer from the shade which vegetables provide.

All is not yet lost. When a couple of years ago, I started work on a register of desirable but threatened plants for the Garden History Society, violets were among the first flowers to be suggested for it and I not only received quite an impressive list of old varieties considered worthy of preservation but was delighted to be told that many were still in cultivation though inevitably on a very small scale.

Here are a few of the varieties that have gone into the RHS register. All are varieties of *Viola odorata*, though not necessarily of the British form, for this is a species with a wide distribution through Europe and on through Asia Minor into north Africa. I mention this because it almost certainly accounts for the variable hardness of the garden violets. Certainly the double Parma violets are much less hardy than the rest, and require frame protection in winter if they are to flower properly.

But to get back to my list. First there is Double Blue, also known as Bertha Barron, a double violet which has nothing to do with the Parma form and is said to be completely hardy. M. E. F. Perfect, who told me about this variety, says that the flowers are dark blue and very symmetrical and that it should be preserved as the best double violet.

Then there is La France, which Mr. Roy E. Coombs says

is possibly the largest single flowered violet, an honour which Mrs. Zambra gave to Souvenir de Ma File. Both were raised by Monsieur Millet

of Paris, one of the most famous of French violet breeders.

Years ago I grew both and my recollection is that Souvenir de Ma File was, indeed, the larger, but it is so long ago that I cannot be sure. No one seems to know if either is available, but even if they have died out completely in England it seems probable that someone would still have them in France.

John Raddenbury is quite unique in colour, a clear pale blue, perhaps not everyone's idea of what a violet should be, but a very unusual variety. It is said that there are still plants about, and it is certainly in Hilliers' list, but I do not know whether they have stock available.

At the other extreme of colour is Kaiser Wilhelm II which name, Lady Hutton Campbell, oddly enough also went around one of the very old Perma Belgians. It is indigo blue, Italy in the 1870s and changed

exceptionally sweet scented and its name in the process since said to be resistant to rust, it was originally known as Gloire d'Angoulême. It is a lovely flower, deep lavender mauve, and strongly scented.

Mrs. J. J. Kettle, named after the wife of one of the best Dorsetshire violet breeders in the early 1900s, seems to have the best violets to grow as a pot plant because so many flowers are open at the same time, but with red so distinctive that it is said to be no difficulty in recognising it. This is a Parma violet, or, as some people prefer to call them, a Neapolitan violet, since the race seems to have started

MIAMI, March 12.

Golf

BY BEN WRIGHT

AS DEFENDING champion tell laughingly of nose bleeds Jack Nicklaus seeks his 60th U.S. tour victory here at Doral of their heady peaks.

But Doral has none of these mountainous idiosyncrasies. It is an honest-to-goodness golf resort factory, a vast sun-shaped complex of residential lodges clustered around a huge clubhouse perennially as busy as any proud, newly-delivered mother.

The \$200,000 tournament (preceded by a pro-am that raises more than that amount for a worthy beneficiary, the American Cancer Society, is played on the senior of five courses and 31 holes of golf at Doral, the Blue Monster, so named because of its 23 lakes.

The second course, the Red

Florida, boasts the same number

of artificially-contrived water

hazards as 24 less bunkers —

only 80 in all. The White

Wonder, par 72 and next in

line, has 92 bunkers and 12

lakes, while Bachelors' Gold, par 71, has 96 bunkers and 17

lakes. The strip in the tail

George Hornet, is a nine-hole

course which boasts 20 immacu-

late silver sand bunkers, more

than just one solitary lake.

The mind boggles at the

revenue derived from this of shoes and a look that spoke have me and the thought of the off.

priceless piece of Floridian volumes. I mean, who the hell glow achieved when four golfing real estate. A television can't afford a pair of \$60 sweaters are peeled off afterwards and the mud is scraped

commentating colleague and I brogues nowadays? The glove was \$7, the golf off the old brogues that would

ventured to put the conveyor belt system to the test on Thursday afternoon. All we wanted was to pay our green fees, hire

the cart, rent some golf shoes, purchase a glove apiece, hit a bucket of balls from the 25 fast-shrinking pounds, only

to be chastised for failing to collect the one piece of paper that counted, the vital receipt when charged for, and issued a

chip for, a bucket of practice balls last Sunday, has quickly buckled to his task here and

is at this precise moment that my colleagues blew his main fuse. We never did get round

to purchasing a bucket of

practiced balls — by now we felt we were buying everything.

The turning point came about a full hour after setting out to play when we were told that,

not only had we failed to collect the requisite chip for the cart

but also that we had failed to book a starting time.

As room service waiters hustled by, and the garbage train wended its way between us, the pro-am competition, he was in recent weeks, Oosterhuis told me that he was about to go home from Florida to California after two miserable recent performances, but

realised in the nick of time that this was the easy way out, and no solution to his problems. He has worked harder than ever this week, and one can only hope

that his industry finally pays off.

Gardening

Sweet Violets

IT IS STRANGE that people so often neglect the things they say they love most. Violets, for example. Writing about them nearly 40 years ago, Grace

Zambra, who with her husband

had worked up what was probably the finest collection of

violets ever assembled in one

nursery in England, was growing

60 distinct varieties. To-day

it is difficult to find a nursery

with more than half a dozen

varieties to offer.

It is no use blaming nursery-

men for this spectacular decline.

They are always ready to grow

anything from which they can

make a profit, and they gave up

violets because there was no

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How to spend it

by Lucia van der Post



A touch of Chinoiserie

market. It is one of the ironies of Hong Kong that, apart from jeans and plain shirts, you can hardly buy a Hong Kong made garment in the whole of the island.

Most of us I suppose grew up in an era when the Made in Hong Kong label was synonymous with the cheap and the badly imitative and it's taken a long time for that image to change.

Nobody who went to the Gala show at the festival, beautifully co-ordinated and produced by Julius Schofield of London's Indesign, could say any more think that the cheap ripoff was the basis of Hong Kong's trade. Rising labour costs (it now has the second highest living standards in the whole of Asia) and the pressure of restrictive quotas from Australia, the EEC and America, have meant that the only way to go was upwards.

Only high-quality clothing, beautifully made and finished from superb materials, could make up in value for the loss of the giant bulk orders.

Such is their success that many of the world's top names, people

like Dior, Cardin, Balmain, Pucci, now have their ready-to-wear made in Hong Kong because they can offer workmanship, finish and quality at prices well below anything Europe can offer.

In a world where it is reckoned only some 3,000 women are still rich enough to be Haute Couture customers, this kind of fashion imitative and it's taken a long time for that image to change.

However, making for the big names is just one part of what they do. If you take a firm like Mandarin Textiles, one of the biggest textile firms on the island, you can begin to see just how diverse are the services they offer. Mandarin has some six factories in which they do a multitude of different things. They develop new lines and new designs in conjunction with retailers. They also work hand in hand with designers (like Balmain and our own Christopher McDonnell) whose designs they may market all round the world. They also design their own collection which they then market. Finally some of the factories are contract factories

they let out the space and machinery and provide the workers and the expertise but they have no say in what is produced.

This kind of flexibility of approach, the ability to bend with the commercial wind, is typical of the island.

The great debate currently being waged in Hong Kong is where do they go from here. There are those who feel that being a centre of superb workmanship, of offering a unique and valuable service, is not enough. What they need, they cry, is a design identity—a magic phrase, but how do you achieve it? You don't come by a design identity overnight.

As Julius Schofield of Indesign put it to me: "To provide a fashion look is highly complicated. You need all the right ingredients. To produce a shirt with good detail needs a totally different set of skills from those needed to produce a tailored skirt which is knitted, sweater, knitting, shoes, buttons, trim and all the other ingredients need yet more different skills."

Gradually Hong Kong is acquiring the expertise to do most of these things. Its knitwear, for instance, is fantastic but it is generally admitted that their printed textiles are not very advanced. Hong Kong is in the process of acquiring all the right ingredients and when she's got them all at her fingertips then she'll be able to do anything she likes."

Because all the ingredients aren't yet there, Hong Kong has not yet been able to develop her own internationally recognised designers. Marguerite Thursby is the designer whose name is not frequently mentioned in Hong Kong but to my mind, though her clothes are exquisitely made and highly fashionable, not to say desirable, I don't think on the evidence of her show, that she could be called a great creative, innovative designer.

There have been native designers of great talent, people like Philip Au, expensively and well-educated in the most eminent design schools, but almost always they have, in the end, had to go to America, France or Britain to find the scope they need.

But almost everybody I spoke to seemed agreed that Hong Kong cannot hope and nor should it aim to become a pace-setter. It is located thousands of miles from its major markets, it cannot be as much in the swim of great international currents, of films, books, art-shows, political movements, as those nearer to their centre.

What Hong Kong does it does very well—it provides workmanship, hand-finishing of a quality and a price that is unbeatable anywhere in the world.

When our own industry complains that the competition is unfair, the answer surely lies with themselves—let them provide the finish and the quality, keep to their delivery dates and prove

The ethnic look has been around for so long and has often been so badly done that I had forgotten how nice it could look when done with care and sophistication.

Hong Kong does the look as well as I've seen it done and, of course, the thick glossy black hair, slanted eyes and creamy skin of the Chinese models set them off to perfection.

All the clothes photographed, above, are from Hong Kong's latest Ready-to-Wear Festival and it's too soon to say who has bought what and where you will be able to buy them but for those who want a preview of the summer and autumn look here are just some of the ways to achieve it. The shops should soon be full of clothes like these. From the far left of the frieze, the tunic look with the slit sides and worn over cigarette pants is increasingly popular for evening and here is how to wear the look with panache. Then comes grey flannel—obviously it is going to be very popular for autumn.

Knitwear is something Hong Kong does superbly as this skirt, tunic top, padded boleros, sashes, lace-up fronts, ribbons, high Chinese collars—all of these are some of the new fashion details to be found in clothes all over the world. So if any of you are wondering what to buy this summer take a look at the pictures in our frieze, at the top of the page and the whole of the Hong Kong International look is there.

Slit-to-the-thigh pyjama pants, kimono type jackets, padded boleros, sashes, lace-up fronts, ribbons, high Chinese collars—all of these are some of the new fashion details to be found in clothes all over the world. So if any of you are wondering what to buy this summer take a look at the pictures in our frieze, at the top of the page and the whole of the Hong Kong International look is there.

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see are, sadly, not yet available in Britain, but the photograph extracts admirably the look heading this way. Fine fabrics, and washable suede (used for the tabard on the girl on the right) are combined to produce a look that is as once peeling, wearable and not too folksy. The silk harem-style pants are very much an essential part of evening wear, while a three layers on the left and the two on the right show different ways in which the same pants can be worn.



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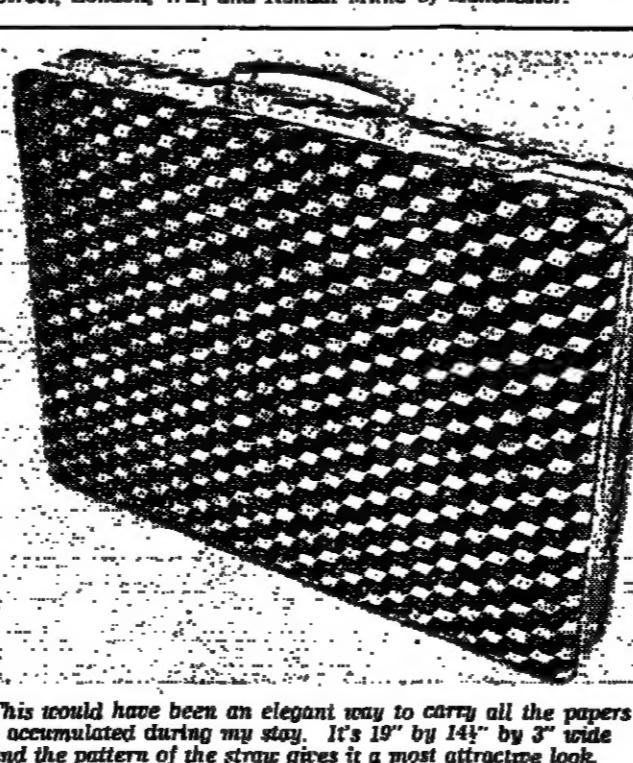
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The
travelling
arts

THE FIRST thing to do with any advice on travelling is to decide which bits are of any relevance to you and to discard the rest. I myself have read countless articles on the subject but have seldom been given any advice I could follow. For instance, I discovered on the long 24-hour flight to Hong Kong that though comfort was exceedingly important to me it wasn't sufficiently important to outweigh my reluctance to be cramped. Undoubtedly those who were most comfortable on the plane were those who least minded being cramped.

I travelled sitting beside a very chic and totally unselfconscious fashion expert, who had everything down to a fine art. First, she looked grand enough to command up porters when there were none to be found. Second, she sounded commanding enough to get herself, in a packed plane, a window seat near the back.



This would have been an elegant way to carry all the papers I accumulated during my stay. It's 19" by 14" by 3" wide and the pattern of the straw gives it a most attractive look.

It has rigid sides and therefore lots of flexibility, but it certainly makes a very pretty briefcase. It has a polyurethane finish to give it greater strength. £28.00 from Jacksons of Piccadilly, London, W1 (p+p 75p).

A long-haul trip like the one to Hong Kong involves stopovers with temperatures as different as the -3 deg. we found at Teheran and the 90 deg. we sweated in Bangkok. So with clothes, versatility is everything—loose cotton trousers which can be worn with sandals and a light top in Bangkok and then warmed up with a sweater, tights, shoes or boots for Teheran worked very well.

Many shops sell very expensive, very smart travelling cases for this kind of journey but I found a khaki canvas one which cost me £4.50 at Bus Stop did the job excellently, and it even took my long leather boots once it got too hot to wear them.

Again many beauty houses sell expensive week-end packs of their beauty products but Boots sell little empty plastic bottles, holding about 4 ozs, as well as plastic spray bottles holding 5 ozs for 8p each. Into these you can easily decant make-up from your ordinary containers.

Molton Brown of 58, South Molton Street, London, W1, sell very pretty cotton rouleau bags with pockets designed to hold these plastic bottles, as well as pockets for things like orange sticks, comb, hairpins and the like. The large size is £5.00.

Finally, if you do, like my fashion editor friend, "feel like changing into something cool" and light Harvey Nichols at this moment have some ravishing Thai silk kimonos in jewel colours from the firm of Bea Phillips. They're in the lingerie department and cost £50 (p+p 50p). They can also be bought from House of Fraser, Glasgow.

To mounting interest she then brought out a sweet-scented

HOME NEWS

Ps back
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Marsh prepares British Rail case for Select Committee

FINANCIAL TIMES REPORTER

BRITISH RAIL received £507m. in financial support from the Government last year to help limit the deficit on passenger and freight services and to bolster its internal finances.

This was £103m. more than the 1974 grant total, but in real terms it represents a modest improvement after allowing for the accounting changes introduced by last year's financial reconstruction.

This was the first time in four years that the railway's growing dependence upon Exchequer support was checked in real terms.

In the opinion of some BR financial experts, this indicates that the railways have already moved a long way towards meeting the Government's target of operating "within an unchanged real level of financial support". At the very least, they are saying, it challenges the popular belief that British Rail's finances are out of control.

This is one of the points Sir Richard Marsh, British Rail chairman, is expected to make when he meets the Commons Select Committee on Nationalised Industries next Tuesday.

British Rail has been told by

Insurance firm calls talks with creditors

Official drive against petrol-thirsty cars

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT plans to mount a campaign against the use of large, petrol-thirsty cars. This is implicit in a new Energy Bill, published yesterday.

As part of its wider energy-conservation plans, the Government intends to make orders for the fuel consumption of cars to be officially tested and published.

It is likely that the test results will have to be displayed at car showrooms while advertisements mentioning fuel consumption will have to include official figures.

The Department of Industry has already entered into detailed discussions with motor manufacturers and distributors.

The Bill, foreshadowed in the Queen's Speech, would give powers to the Energy Secretary to regulate or prohibit the use of fuel and electricity. This again,

The Minister would also have the right to control the price of petrol and products, should the need arise. A fall-back arrangement which might be used in a national emergency, for instance.

The Bill goes further, however, in seeking reserve powers to control the production, supply, acquisition or use of fuel and

garments increased by £170m. The difference accounted for about half of last year's deterioration in the railways' revenue deficit before grants; the other half was largely attributable to the effects of the recession on the volume of rail traffic.

Even in the event of a recovery of industrial activity, however, British Rail has serious doubts about being able to eliminate the deficit on freight services within the next two years and has told the Government so.

It also sees a steady erosion in both the quality and the quantity of rail services, albeit to nothing like the extent that the rail union leaders have been claiming in their "No Rail Cuts" campaign—if the Government persists in its present aim of holding level in real terms until the end of the decade both the passenger service grant and the railways' total capital spending.

Last year, British Rail was paid a passenger service grant of £324m. (including a £3m. adjustment for earlier years), a £65m. freight deficit grant, £57m. towards the cost of funding railwaymen's pensions, £10m. in research and infrastructure

allowing for these accounting changes, the 1975 grant total represented a 3.4 per cent. improvement in real terms on the 1974 figure, BR financial experts claimed yesterday.

Even on this basis, however, the 1975 total was about four times bigger than the real value of the financial support received by British Rail in 1971.

Life policy changes deferred

By Justin Long,
Parliamentary Correspondent

THE GOVERNMENT has decided to defer introduction of the new policies, set out in last year's Finance Act, for dealing with life policies qualifying for tax relief.

Mr. Robert Sheldon, Financial Secretary, said in a written Parliamentary answer yesterday that the number of policies which would need to be certified individually under the new procedure would be very much greater than expected—probably resulting in inconvenience and delay to the life offices and policy holders.

The Government therefore proposed to include in this year's Finance Bill provisions to take account of this situation.

Until a further "appointed day" certificates of qualification for policies qualifying under the Act for tax relief will continue, as now, to be given by the issuing life office.

Mr. Sheldon said that life offices would no doubt want to operate the new procedure from April 1, in anticipation of the legislation. The Revenue has been authorised to accept certificates issued on this basis.

Sun Alliance increases car premiums

By Eric Short

Another major motor insurer, Sun Alliance and London Insurance Group, has announced increases in motor premiums from April 1. About 300,000 drivers face increases of 12% per cent. in their rates from that date. Earlier this week, Guardian Royal Exchange announced that it was lifting its motor premium by between 13-15 per cent.

Sun Alliance previously revised its rates on August 1, 1975, when it raised them by an average of 18 per cent., only four months after another increase. Now the company has been able to hold its rates steady for eight months.

Co-op plans switch to part-time directors

By Elinor Goodman, Consumer Affairs Correspondent

THE BOARD members of the Royal Arsenal Co-operative Society have voted themselves out of a job. They have agreed to recommend to the Society's 438,000 strong membership that the Royal Arsenal should fall in with other co-operative retail societies and have a part-time Board, rather than the present full-time general management committee, when the Board comes up for re-election in 1978.

The decision was taken after members of the Society asked the Board in September to consider the desirability of having part-time directors. In December the Board reported that it had decided to recommend in principle the election of a part-time Board in view of the co-operative movement's declared aim of rationalising the number of co-operative societies.

The report will be put to the Society's members in March but it may meet opposition from members who believe that the Royal Arsenal's strength and efficiency owes much to the fact that unlike other societies it has been run by a full-time salaried Board rather than part-time directors.

Though the society has merged with nine other smaller ones in the past, it is understood that progress towards other mergers has been blocked by the difficulty of reconciling the RAC's unique form of management—first adopted 55 years ago—with other societies' part-time Boards.

Under the Co-operative movement's regional plan, which would reduce the existing number of retail societies of 235 to 26, one society is envisaged for south of the Thames.

Agreement

This would embrace the territory covered by the Royal Arsenal Society in London and the South, the South Suburban Society, Invicta, to the southeast of London and parts of the Co-operative Retail Society, to the south.

The Royal Arsenal Society is committed to the regional plan which is seen as essential to the Co-op's future development, and feels that by adopting the same style of management as the other societies will be able to get the agreement necessary for further mergers.

It is also felt that by adopting part-time Board, it would be possible to appoint what in effect would be worker directors. At present, if a member of the staff elected to the Board, he has to give up his job in the shop. Similarly, it would be possible to get more directors from among the societies' customers, who at present may have another job which prevents them taking a full-time directorship.

Against this, however, there is a feeling that the level of management could deteriorate as a result of the Board being split into factions by special interest groups, as has happened in some other societies.

Dumping query on light bulbs

THE GOVERNMENT will consider an anti-dumping application if the Lighting Industries Federation can show prima facie evidence of the claim that 30m. domestic electric lamps are to be imported from Poland and Czechoslovakia at a price only slightly higher than the cost of manufacturing materials used by Osram-GEC, Mr. Eric Deakin, Under-Secretary for Trade, said in a Commons written reply yesterday.

Gas supplies return to normal after blast at terminal

BY RAY DAFTER, ENERGY CORRESPONDENT

GAS SUPPLIES returned to normal yesterday after an explosion and fire at one of the main North Sea natural gas terminals had seriously disrupted the national network.

The incident on Thursday evening shut Shell/Esso's Bacton terminal, which handles a third of Britain's natural gas supplies.

Several hundred commercial and industrial users, who buy gas on interruptible contracts, were told to use other fuel, gas-burning power stations, switched to coal burning; and other North Sea operators increased output from onshore fields.

British Gas also switched on its emergency supplies of liquefied natural gas, stored in northwest England, Dorsetshire, Scotland and Canvey Island, to keep up pressure.

The corporation said that by maintaining supplies to all but interruptible customers, these commercial and industrial users buy gas at a discount on the understanding that they may have to switch to other fuel in the event of peak demand or an emergency.

The Corporation is also increasing storage capacity of 25-33 per cent. of industrial con-

Whitehall moves its man in Belfast

BY OUR BELFAST CORRESPONDENT

SIR FRANK COOPER who, as Permanent Under-Secretary at the Northern Ireland Office, has been responsible for shaping much of Government policy in the Ulster, is to move from his post, the Prime Minister, Mr. Wilson, announced last night.

Sir Frank, 53, will become Permanent Under-Secretary at the Ministry of Defence, replacing Sir Michael Carty who died last week.

Mr. Brian Cubbon, 47, a part-time secretary in the Home Office, was named yesterday as Sir Frank Cooper's successor.

Mr. Cubbon, who has also served in the Cabinet Office dealing with EEC affairs, is at present responsible for the personnel and administration, finance and general departments at the Home Office. He will take up his appointment at the end of the month.

Sir Frank Cooper's move is seen in Government circles as a routine appointment without political significance and one which had been widely expected. Mr. Rees, Northern Ireland Secretary, it is understood, will continue at his post for some time.

Ulster campaign against civil servants feared

P. W. J. Buxton, an assistant secretary on attachment to the Northern Ireland Office, and the other by a principal officer in the Civil Service. The families of both were evacuated after a telephone warning to the Post Office. The explosion 40 minutes later, severely damaged the houses.

Government sources said neither of the men involved in security policy. Mr. Buxton is known to be an economic adviser. No terrorist group immediately claimed responsibility.

FAIRCLOUGH

THE COMPLETE CONSTRUCTION COMPANY

Year ended 31st December, 1975

	1975 £'000	1974 £'000
Turnover	147,672	98,839
Profit before taxation	4,973	4,108
Profit after taxation	2,394	1,911
Dividends per Ordinary share (basic)	28.4p	28.3p
Dividends per Ordinary share	8.25p	5.84p

ote: On the acquisition of Sir Lindsay Parkinson & Co. Ltd. in 1974 its work-in-progress was revalued and provision made for future losses in accordance with the accounting policies of Fairclough.

uring 1975, experience on Parkinson building contracts which were commenced in 1973 and prior years has indicated that losses will substantially exceed Fairclough's original estimate.

he Consolidated Profit and Loss Account of Fairclough for 1974 £1,844,000 was shown as the loss, arising on acquisition of Parkinson. The additional losses of £1,500,000, net of taxation, have been charged against this surplus arising on acquisition as an extraordinary item relating to contracts in progress prior to the date of acquisition.

nts from the Statement of the Chairman, R. G. Davies, C.B.E., D.C.M., J.P.

The Group's operating profit has again improved.

The recommended dividend is the maximum permitted.

The Group's order book is in excess of £200 million.

The Group's cash resources are at record levels.

Management has been strengthened with Sir Lindsay Parkinson & Co. Ltd. to improve performance, and particularly to complete old fixed price contracts for building in the South East.

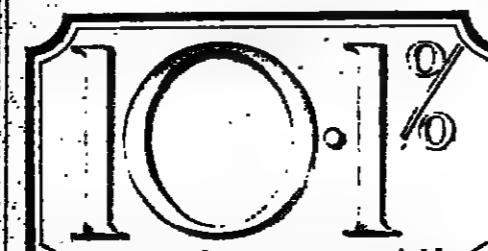
The remainder of the Group is operating well.

There have been extensions of Group activity in Ireland and overseas.

The Group has had a successful year in Saudi Arabia.

Leonard Fairclough Limited,
Midway House, Northwich, Cheshire

CIVIL ENGINEERING - BUILDING
TUNNELLING - SURFACE MINING
MECHANICAL ENGINEERING



This is for the investor who is looking for above-average income now and for long-term capital growth.

THE FT index, although it has improved substantially, will need to advance a further 25% to pass the 1968 and 1972 levels; and it still needs to more than double before the market as a whole, in real terms, exceeds the values of those years.

IN THE present state of the market, good yields are still to be had. As the market rises, they will be less easy to find. Timing, obviously, is of the essence; this is why full-time professional investment management is so important.

FOR example: what amateur investor could maintain, monitor and deploy a portfolio of over 100 holdings, updating it for every tactical advantage, on a day to day basis?

THIS is how our High Income fund is managed. And this is why, in today's situation, we believe it is right for the income-with-growth investor.

THE FUND is now invested in the following proportions:

73.6% Equities
18.4% Preference Shares
3.0% Convertibles
5.0% Cash & Gilt

UNITS you buy now have an estimated current gross yield of 10.1% for the first year. Any capital growth would be over and above this.

The offer Gartmore High Income Units are on offer at the fixed price of 43.2p. with an estimated current gross yield of 10.1%. This offer closes on 19th March 1976.

YOU SHOULD regard your investment as long-term.

THE PRICE of units, and the income from them, can go down as well as up.

Income is distributed on 15th March and 15th September. Dividends are paid at discretion of the Island Revenue if you are entitled to do so.

After the close of this offer you will be available at the daily quoted offer price and yield published in most newspapers.

Applications will not be acknowledged, but certificates will be forwarded by the Managers by 30th April, 1976.

Gartmore High Income Trust was formerly known as Gartmore European Trust.

You can sell your units back to us at no less than the bid price for each day; you will receive a cheque within seven days of the Managers receiving your renounced certificate.

Fill in the coupon and send it now. To: Gartmore Fund Managers Limited, 2 St. Mary Axe, London EC3A 8BP. (Regd. No. 1137353).

Units are on offer at the fixed price of 43.2p each until 19th March, 1976 giving an estimated current gross yield of 10.1% per annum.

I/We should like to buy Gartmore High Income Units to the value of

£ at 43.2p each. (Minimum initial holding, £200.)

I/We enclose a remittance, payable to Gartmore Fund Managers Limited.

I/We declare that I/We are not resident outside the UK or Scheduled Territories and that I/We are not acquiring the units as the nominee(s) resident outside the UK or Scheduled Territories. (If you are unable to sign this declaration it should be deleted and your application lodged through an authorised depository.)

ST. NAME (MR. MRS. MISS): _____

FIRST NAME(S) IN FULL: _____

ADDRESS: _____

SIGNATURE(S): _____

(If there are joint applicants all must sign and attach names and addresses separately.)

Offer not available to residents of the Republic of Ireland.</p

THE CRISIS IN LEBANON

Israel, Syria, and the Lebanon quicksands

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE SANDCASTLE compromise in the Lebanon which the Syrians so painstakingly constructed looks as though it has virtually crumbled. The reform programme, drawn up under Syrian auspices by President Suleiman Franjeh on February 14, has been steadily eroded by the failure to bring in a new, broader-based government and in control the Moslem army descended whose rapid advance the east of the country during the past week precipitated the new crisis. Almost certainly Damascus will have to begin again following the announcement by Brigadier-General Aziz al Ahdab, Commander of the Beirut Garrison, that he had taken power as provisional pending resignation of President Franjeh and the election of a successor.

With Damascus silent and the Lebanese army command and politicians divided about it, one can only speculate as to whether the Syrian leadership condones, encouraged, or stimulated the military initiative. Without doubt, however, the gains made in the past five days by Lt. Ahmed al Khatib's "Lebanese Arab Army" affiliated groups of deserters, and irregular supporters have seriously under-

mined the mediation efforts of violations and Israeli possibilities which original Lt. Khatib's group have well Syrian intervention was intended established links with Al Fatah, to prevent partition of the leading Palestinian guerrilla group, the emergence of an group which has been providing extreme Left-wing regime, and, them with logistical and other support. Several hundred Moslem troops must have been recruited in the five garrisons

taken over in the past week.

Al Khatib's followers have now established control over a stretch of territory running the length of the country from Tripoli in the north down through the Bekaa Valley behind the central mountain range to the southern border (see map facing). In doing so the mutineers have established their own de facto lines of partition.

They also realise the political impossibility of the Government

Falangists did in the latter stages deploying against the army of the civil war. Their successes must have boosted the hopes of Left-wing political forces in the country and Palestinian guerrillas who opposed the Committee of modest reform programme result.

Lebanese, Syrian and Palestinian officers. Far from heading the who wish to see Lebanon drawn into the mainstream of Arab nationalism confronting Israel, "Civil war in Lebanon has not

lastly, their takeover of four ended because the rival sides border posts only five to eight have not achieved what they wanted. It (the settlement) does not provide drastic solution to control the commando's Lebanese crisis, and the activity has brought the danger minor reforms it proposes are

not commensurate with the sacrifice that has been made. Specifically he said that the Moslem deserters want the "Arab character" of the Lebanon to be recognised, an end to the distribution of State posts on a denominational basis (including the presidency, premiership and speakership of the National Assembly), and the reorganisation of the army on a secular basis.

The intractable problem in the Lebanon has been to establish a plausible indigenous authority to govern the country and preserve security. All along most Lebanese have been profoundly divided whether any stability, or even a short-term settlement could be worked out as long as President Franjeh

continued in office. He showed his clear Christian bias by remaining silent for the first seven months of the civil conflict and making no effort to stop the fighting in which his private family militia participated vigorously. He is anathema to all Moslems and the Lebanese Left as well as to most moderate and down-to-earth Christians who have seen his resignation or removal as a necessary precondition for a settlement.

Strangely, at first sight anyway, he has a long-standing

friendship with President Hafez

Assad, who has been mainly concerned to keep himself abreast with the fast-moving and confused situation in Syria's neighbourhood.

The President is to visit Paris on Monday and Tuesday, his first to a Western European country since he assumed power.

As soon as the military take-

over was broadcast in Beirut

last night, Assad contacted both President Franjeh and General Ahdab by telephone

to check the situation

according to a Presidential spokesman. During the night he saw his Foreign Minister, Abd Halim Khaddam, who heads the Syrian mediation in Lebanon, and other members of that delegation. They discussed the talks that the Syrian mission has had with various Lebanese parties.

The Government-owned

Press here gave the news of

the Beirut coup front page

treatment. The Daily Al Baath

carried first the statements of

Lebanese radio controlled now

by General Ahdab and said

the communiqué of General

Ahdab was met with

scouts of joy by all Lebanese

The newspaper also carried the

statements of the remaining

Lebanese radio still controlled

by the Franjeh government

immediately after those of

General Ahdab.

There is a general feeling in

unofficial Damascus circles that

they would welcome whoever can

restore peace and order to the

Lebanon, and end what now is

coming to be seen as an end-

les series of crises there.

Although the Lebanese army

has adhered to Lebanon's policy

of non-belligerency where Israel

is concerned, Gen. Ahdab is

known to favour participation

of Lebanon in Arab plans. He

is also known to support closer

co-operation with the Palesti-

rian guerrillas. He already



Brig.-Gen. Aziz al Ahdab

TEL AVIV, March 12.

Assad of Syria which must have facilitated the February 14 compromise. This unlikely, even bizzare, relationship dates back to 1957 when Mr. Franjeh fled to Syria after his clan had been involved in—and most people say precipitated—the shoot up with a rival Maronite family. President Franjeh, who was an officer in the Syrian internal intelligence when they first met—may have decided that the mediation could not succeed if President Franjeh continued in power.

Yet that will not bring back the Moslem nationalist deserters, heal the rift in the army or stabilise the civil security without which there can be no political settlement.

Damascus can hardly look to the PLA units to bring the deserters under a measure of control. That would be asking too much of them even if several of the battalions are strongly under Syrian influence. Technically they are all under the command of Mr. Yassir Arafat, Chairman of the PLO and Commander in Chief of its military forces.

It is a very complicated, confused situation that President Assad and his colleagues must handle with great delicacy. Whatever the temptation, he knows that he cannot send in his own regular troops. Now he is faced with the danger that the rebel Lebanese troops in the south, their Left-wing allies, and the guerrillas may provoke Israel's retaliation to which Syria would have to react in some way. The warning given yesterday by Mr. Shimon Peres, Israeli Defence Minister, was very direct, even if low key and without elaboration: "Any change which can affect Israel's security—the border, the citizens, settlements and the roads—will oblige us to take counter-measures." This implied a selective response according to the kind and degree of any incursion. One must hope that the armed Palestinians on the border will be too absorbed in the power struggle within the Lebanon to test the meaning of Mr. Peres' words.

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SATURDAY, MARCH 13, 1976

Strain on the Government

AFTER a profoundly unsettling week, both in politics and in the markets, things looked more normal yesterday—the Government back in the saddle. Interest rates unchanged, the pound steadier, the markets relatively quiet, and the spotlight of economic drama focused on Paris and Frankfurt once again. So might a mountaineer, after a nasty wobble as he edges his way across a precipice, sit down with relief on some friendly ledge to eat his sandwiches and whilst a bit to keep up his spirits. But real steadiness is not so readily restored: the Government has looked into the abyss and, like the mountaineer, is now likely to be wracked with the conflicting desire to avoid doing anything in the slightest degree rash, yet to get to the top as fast as possible.

Accident prone

The avoidance of rashness is much to be desired; the Government has belatedly settled on a reasonable strategy based on export-led growth, which if backed by some further expenditure cuts, appears to have a chance of success—for the new assessments from the Department of Trade and the Bank of England are more reliable as long-term indicators than the monthly wobble in the trade figures. It is not easy, however, for a Government which is both unpopular and accident-prone to stick unswervingly to its long-term strategy. The possibility of another sharp drop in sterling—the result, perhaps, of the odd bad patch in the trade figures which we have seen before even when the underlying trend is strong, and Mr. Wilson, for one, will never forget the figures for May 1970—could enforce a change in domestic policy.

The Government must be hungry; then, for visible evidence that its policies are working: the temptation to pluck the fruit before it is ripe is more than ever present. How pleasant it would be to lighten personal taxes ahead of the recovery in revenues and the reduction in money wage claims which might make it possible to get quick results without sacrificing the long term. The last to yield to pressure from the Government's loyal trade union supporters and impose a little selective protection on some hard-pressed industry—when the events of last week, when one's nerves.

Letters to the Editor

Management pay

From Mr. I. Taylor
Sir—On the day when sterling fell below the \$2 level, it was depressing to note the latest contribution from Mr. Jack Jones in the debate about management salaries in industry. Although there are capitalists in the Board rooms of British industry, many of whom also happen to have the ability and experience to lead their companies, most of our industrial leaders have got there by ability and they command high salaries for the exercise of their skills. Mr. Jones is right when he says that these leaders will not be driven abroad in large numbers if their gross pay is limited to £20,000 per annum, but what will surely happen is that their leadership and commitment will diminish as their salary approaches the ceiling (this effect is already evident because of high tax rates) and British industry will slip further down the international productivity league.

Mr. Jones is also right when he says that there are members of management ready and willing to take the top jobs—and they would do well. These are the same managers whose salaries, £4 in excess of £25,000 per annum, will soon have been frozen for a period of one year and he advocates should be frozen during the next round of the pay policy. Are these managers going to struggle hard to raise industry's efficiency and increase their own experience in manufacturing industry, and will they then be ready and willing to take the top jobs? I do not think so.

J. C. Taylor,
Kirklee, Blyth Hall,
Blyth, Workop, Notts.

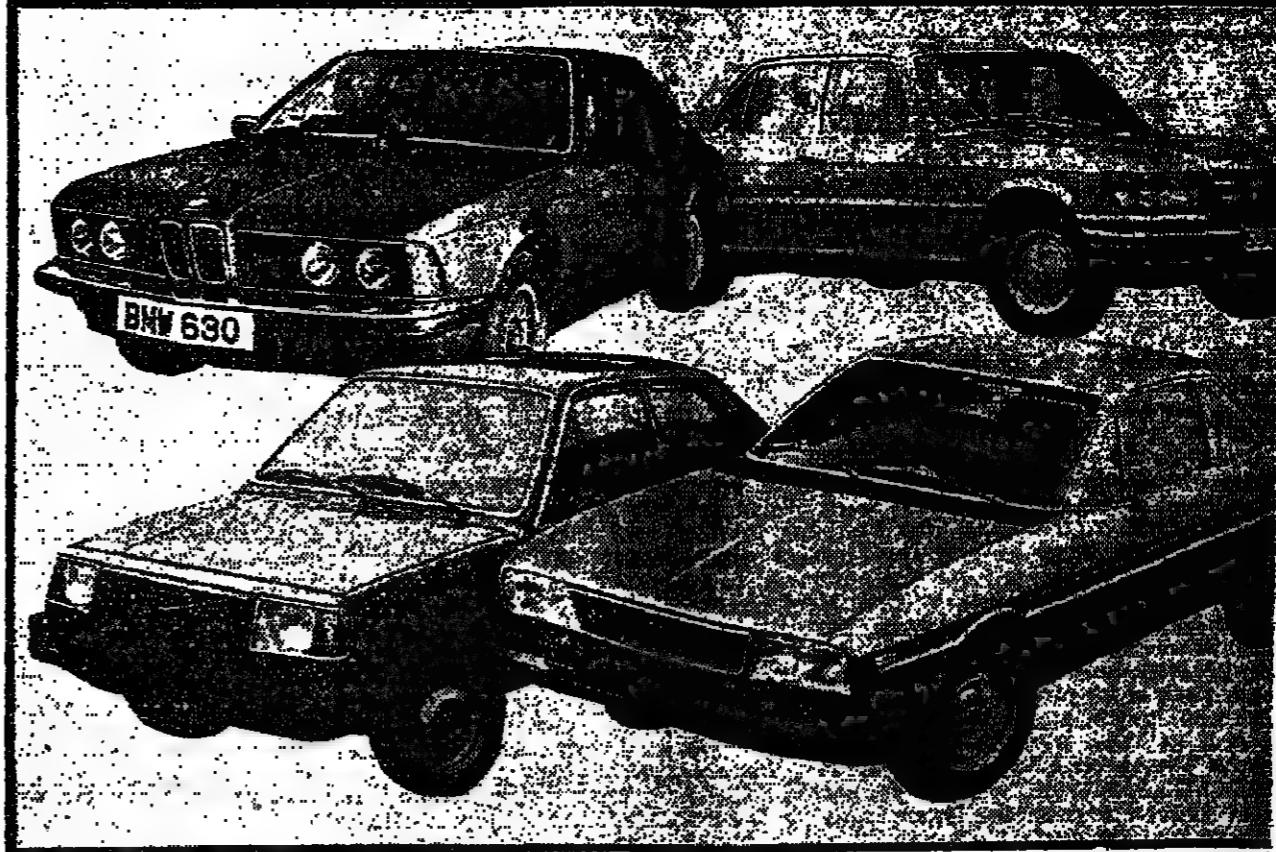
Chatty VAT

From Rowena Mills
Sir—What a totally ludicrous York City, is not living beyond its means, it has a current account surplus (and hence a strong currency). The real economic problem is the enormous amount of waste facing the Netherlands is that man-hours and potential produce the substantial natural gas excess which goes into compiling port forms at the other end.

The burden, it must be seen, on the long run development, presses most heavily on men of production. The steady self-employed, a large proportion of whom have strayed into the self-employed, a large proportion of whom have strayed into

Two years ago, the spiralling cost of oil was putting a major question mark over the future of the large car. But, as this week's Geneva Motor Show made clear, the climate has changed significantly.

A report by Terry Dodsworth



Among the front-runners in the luxury car's comeback: (top left) the new BMW 630, (top right) Mercedes "S" Class, (bottom left) the new Volvo 343, and (bottom right) the new Lancia Gamma.

Luxury hits the road again

THE storm clouds which the gets underway, sales have been

oil states sent scudding swinging back steadily in favour over the European car in of the more expensive and larger industry two and a half years ago cars (big cars as a whole, from beginning to roll away, Granada size upwards, are Markets are looking up, profits reckoned to have improved are returning, manufacturers their market share in Europe are steadily scaling up their from 16 per cent to 18 per cent market forecasts, and as in the recent months—with the result that Peugeot and BMW registered sizeable production increases last year and are expecting demand to grow again over the next 12 months.

The prominence which luxury models have received this year would scarcely have seemed possible 12 months ago. Public attention was fixed then on the economic virtues of small vehicles: it was the Volkswagen Golf and Polo, the Vauxhall Chevette and the re-styled Ford Escort that caught the eye at the last show. By contrast, luxury cars have almost had the field to themselves this year, starting at the top of the market with the recently-revised "compact" Mercedes range, moving through to a 3-litre BMW and the 2.5 litre Lancia Gamma, and down to the 1.4-litre Volvo 343.

Between them these new products touch on several categories of the European prestige market. The Mercedes is a sleek and expensive-looking revamp of the present compact range. The BMW 630 is a replacement for the 2.5 CS—3.0 CS sports couple

range which did so much for the Bavarian company. The Gamma, powered by a flat-four engine, marks Lancia's re-entry after many years to the market for cars of over 2 litres, and the Volvo 343 is spreading the Swedish company's range down into the mid-market sector with a model produced in Holland at the former DAF factory.

The air of confidence with which these models have been launched is unmistakable, deriving from several months of improving sales across Europe.

In both West Germany and France, as economic recovery

continues will have climbed a little way back from the trough they will reach later this year, and unemployment will still be high. A rise in U.S. interest rates may well be slowing down investment in other places. These checks and trials must be endured if the strategy is to work: there is no way to get quick results without sacrificing the long term. The last to yield to pressure from the Government's loyal trade union supporters and impose a little selective protection on some hard-pressed industry—when the events of last week, when one's nerves.

These are indeed encouraging results for companies that began planning new capacity for the luxury car market in the early 1970s only to see their prospects appear to collapse after the Youn Kippur war. But at the same time, manufacturers are equally aware that the days when prestige cars provided an easy passport to healthy margins and good profits are over. Too much new capacity has been committed, and begun to come on stream, for them to have an easy time. Competition will inevitably intensify.

The luxury market is deeply fragmented, largely because of the skill European manufacturers have shown in identifying individual niches. Volvo, for instance, is renowned for its safety precautions, while Mercedes has a name for fine engineering. Again, Mercedes has stuck to larger, more sedate vehicles, while BMW has gone for smaller, sportier models, only nibbling marginally at the Mercedes market. As a result, direct competition is still not as great as it might be.

All the same, in general terms the drift towards greater capacity is clear.

It is difficult to see where buyers for all these vehicles will come from. One hope is that 1976 will see a decisive upturn in the European market: already there are signs that West Germany could see a 10 per cent increase in registrations this year, although German executives are still forecasting conservative 3 to 4 per cent. Despite this hesitation, there was a mood of muted optimism about the European market at Geneva.

The second question facing quality producers is one of size. Scale is an important factor in the motor industry, and the

1—Mercedes, which has more successful specialist manufacturers are now building up to capacity levels which mean year by year throughout the oil crisis, making 350,000 cars in 1975, is planning to expand steadily at the rate of about 10,000 extra units a year.

2—BMW, having made a record 221,000 cars in 1975, is planning to produce 250,000 this year.

3—Volvo's output is planned to go up from 280,000 cars last year to 320,000 in 1976, including the 343.

4—Lancia, having turned out 45,500 cars last year, is planning to make about 10,000 of its new Gamma and has a long-term programme of substantial expansion.

5—The Renault 30 and Peugeot 604 have brought two entirely new competitors into the market. Last year Renault built almost 30,000 30s and this year claims to be building up to 100,000 30s and 20s.

6—Audi, the Volkswagen subsidiary, is expected to launch a new vehicle later this year, although it may not add greatly to the company's capacity.

7—British Leyland will in the summer be launching a new up-market model designed eventually more than to double Rover's present output of about 45,000 units a year.

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BMW was hit by a similar problem after the oil crisis more complicated. When, overnight, performance and independence fell under the dual shadow underlined by the of rising fuel costs and social disapproval, BMW's plight, from which the company has now group, but it remains extracted itself with the help seen precisely how of new models, underlines the Triumph will be a

skill of Mercedes in developing both a

range of sufficient variety dealer level, and to cushion the crisis: over the of separate identity cars will be given.

At the same time, they have sought to achieve benefits of scale by integrating the production of different models in order to make more efficient use of their tooling. For example, body shapes are designed to appeal for rather longer periods than those of the mass manufacturers, and engines and bodies are jugged to give customers a wide variety of choice while limiting the number of different manufacturing processes.

8—Mergers will result

There is a limit to what can be done by these techniques, however, and some industry figures believe that more mergers will result from the difficulties involved.

A prime example of what has happened already in this direction is Volvo, which 18 months ago took over DAF, the small Dutch manufacturer and developer of the unique Variomatic automatic transmission system. Volvo's motives were partly to do with size, and partly with image.

First, the Swedish company felt that it could not offer sufficient volume or variety to its dealers, with the result that dealerships tended to be multi-franchise and therefore weaker outlets for the Volvo product. And second, Volvo believed that it had become locked into one particular market (for large quality cars) which was vulnerable to the pressures of economic on fuel. The new 343 model, produced in the Netherlands, will be a more luxurious car than its predecessor.

The net result at both of these companies has been a loss of momentum and of image in the quality car divisions, and it will be interesting to see how they try to resolve the problem.

VW has already announced that it will now try to upgrade the Audi range to differentiate further its image from that of the Volkswagen models, and the replacement for the Audi 100 series, due later this year, will be a more luxurious car than

its predecessor.

The name, the

admirable, remains and BMW. If

designers and mark had to vote on it, it

will still be the two comp

would choose to

the prestige market.

Resolving problems

Fiat has resolved t by keeping Lancia's organisation (and, so making one), able to its component supply parent company but independence to ma cars and build its market sectors depending on economic conditions.

So far, however, this theory has been noticeably slow to work in practice. At British Leyland, for example, the quality car group (Rover, Triumph and Jaguar), in a relatively strong position at the time of the 1968 merger, has lost ground as resources were channelled into volume production. A similar situation developed at Volkswagen, where the Audi engineering and styling departments were raided for ideas by the mass manufacturing operation.

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The FAMOUS GROUSE SCOTCH WHISKY

Quality in an age of change

Your first sip of Famous Grouse whisky will tell you why it costs a little more than its rivals. We scarcely need to spell out the ancient pedigree of this mellow, balanced blend—for here is bottled history.

Enough to say that Famous Grouse whisky is the cumulative creation of one distinguished family who have been blending fine whiskies since 1800. So call it taste, discernment, what you will, this is the whisky for you.

The railway is owned and operated by Rhodesia Railways. The Botswana Government has expressed its desire to take over the line as soon as possible and is being assisted to study the means of putting this desire into effect by Canadian consultants in the short term, however, the railway must probably remain Rhodesian. If Botswana closes its border with Rhodesia it does not merely lose revenue from goods in transit, it loses its main communications link. This is a blow that the economy could not sustain.

Botswana's dependence on Rhodesian Railways has long been recognised by neighbouring Black African states and by the Organisation of African Unity. Dr. Christopher A. Stevens, Overseas Development Institute.

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Matthew Glaag & Son Ltd., Perth, Scotland. Established 18

COMPANY NEWS + COMMENT

Fairclough profit reaches record £5m.

PROFITS before tax of civil engineers and building contractors Leonard Fairclough increased from £4.1m. to £5.97m. in 1975 and the directors believe the group will make substantial progress this year.

The order book is in excess of £200m. and cash resources are at record levels.

Cash at bank is in excess of £10m. and short-term loans and overdrafts are down 20 per cent. as these continue to improve, says the chairman, Mr. O. Davies.

As forecast at the time of last May's rights issue, the net dividend total is a maximum permitted £2.50m. on increased capital against £2.50m. previously. The final is 47.5p.

Basic earnings per share are stated as 28.4p (28.3p) and 27p (26.3p) fully diluted.

The chairman says management has been strengthened within the subsidiary, Sir Lindsay Parkinson and Co., to improve performance and particularly to complete old fixed price contracts for building in the southeast. The remainder of the group is operating well.

The group has also been extensions of activity in London and the overseas group had a successful year in Saudi Arabia.

Chairman's statement Page 3

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. for year	Total last year
Authority Investments	Nil	April 23	0.1	0.11p
Bracken Mines	0.75	May 13	0.68	0.68
Clayton Dewandre	4.13	June 4	3.49	3.83
Development Securities	4.4	April 23	4.4	4.0
Leonard Fairclough	4.75	July 1	3.36	3.23
Leonard Fairclough	4.75	July 1	3.36	3.23
Kieross	20 (20)	May 13	1.75	1.88
Lister and Co.	2.61	May 13	—	2.81
Macallan-Glenlivet	1.38 (1.38)	April 13	1.28	1.74
Hugh Mackay	1.50	May 3	1.48	1.81
West of England	1.10 (1.10)	April 2	1.08	1.97
West of England	1.10 (1.10)	May 13	1.05	2.30
George H. Schools	4.06 (4.06)	May 19	—	1.85
Scottish Cities	2.23 (2.23)	March 31	1.75	5.75
S.P.R. Investments	4.06 (4.06)	April 2	—	—
Winkler Investments	48 (48)	May 13	63	108
West of England Trust	—	—	—	—
	Int. 0.55	—	0.5	1.14

Dividends shown per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights issue and acquisition issues. (a) Comprising 0.0625p for two rights in February 22, 1975, and 10p to February 28, 1976. (b) To reduce disparity. (c) Corrected. (d) South African cents. (e) Includes 10p capital repayment. (f) For 10 months.

Chairman's statement Page 10

Glenlivet Distillers ahead

AFTER BANK and debenture interest more than doubled from £101,000 to £262,000, pre-tax profits of Glenlivet Distillers show a rise from £100,000 to £183,000 for 1975. At halfway profits were £80,000 compared with £73,000.

Basic full year earnings are stated at 13p against 12.84p, and fully diluted at 11.85p against 11.80p. A final dividend of 1.801p per share on 25p share raises the total payment from 3.375p to maximum permitted 3.601p costing £78,000.

Chairman's statement Page 19

Lister loss-no interim

A PRE-TAX loss of £340,000, against profits of £325,000, was incurred by the metal manufacturers Lister and Co. in the half-year to September 30, 1975, on turnover of £12.29m. compared with £13.28m.

Trading has been most difficult, say the directors, mainly due to cheap imports and a lower order book. Economies have been made and while the second half has still proved difficult, it is hoped that the steps taken will show a little better than expected. Sales in the second six months were up 18 per cent. against 13 per cent. rise in the first half, while

losses over the full year fell almost a point to 7.7 per cent. Commercial vehicle sales abroad by the U.K. are being held back an extent by the world recession. But since LD mainly supplies heavy and medium size vehicles which are abroad actually rose by 13 per cent. and LD's exports should be higher. There was a weak spot, however, in India where the oil crisis has hit hard. Significant expansion plans could be in the pipeline still after considerable capital expenditure in 1975. The total yield gives the shares at 83p with the p.e. of 7.8 compares well with the sector. The cover is 1.7.

Chairman's statement Page 11

See Lex

Foreign and Colonial Trust

Mr. H. C. Baring, chairman of the Foreign and Colonial Investment Trust Company, says the principal move in 1975 was the withdrawal of £1.6m. from South Africa following the sale of gold shares and the increase of £2.9m. in Japan, £1.8m. in Brazil, £1.2m. in Europe and £1m. in the U.S.

Since the year-end, the Trust has taken up new stocks issued by London and Scottish Marine Oil and Scottish Canadian Oil and Transportation. The total cost of supporting this North Sea investment will amount to £1.8m.

As reported on February 19 with new values, net revenue after tax for 1975 rose from £1.98m. to £2.01m. The dividend is 2.58p (2.412p) net.

During the year, some £4.8m. was invested in the U.K. of which £1.5m. was used in taking up rights in new issues. The Trust's holding in Can-

ada, which is 100 per cent. of the group, has been reduced to 99.99 per cent. by the sale of 100,000 shares.

The chairman, Mr. I. M. Tannenbaum, says that 1975 was a difficult year. Increased dependence on bank borrowing to finance stocks led to "strikingly higher" interest charges. Despite higher turnover, increased costs and low selling prices severely cut back the growth of commensurate profit—a situation which is most unlikely to improve in the current year."

However, 1975 was a memorable year for consolidation and for putting the company in good shape for the future, he tells his members. Much of the group's major 22m. expansion and modernisation programme was completed, which included increasing the production capacity of the five distilleries by 50 per cent., "thus providing an excellent basis for long-term growth."

Chairman's statement Page 11

A high rating and a low yield—3 per cent. at last night's price of 115p—have been placed on Glenlivet's share price, but the full-year profit performance is resilient enough, showing a 5 per cent. advance (excluding the interim stock adjustment gain of £80,000). In a year when industry's full filling production, about one half of group profit, fell by 16.6 per cent., the group has been

expected to be only moderately higher at between 115p and 120p. This would take into account probably improved profits from Australia on cost savings in the second six months when copper prices also remained low.

An upturn in demand in the second half for building materials, coupled with the benefits of price increases, are expected to put

Thomas Tilling's pre-tax profit to be announced on Wednesday at between £30.5m. and £31m. after the interim.

Last year's total was £29.5m. at the net income level over £29m. The engineering and electrical side are thought to have been weak areas but any falls are expected to have been offset by lower interest charges after a reduction in borrowings as a result of the sale of Volkswagen (GB) last year.

A series of price rises for cement in the U.K. are believed to have put Rugby Portland Cement Company back on the growth trail after the uncharacteristic setback of last year. But since the benefit from prices would be offset by a measure of caution about the demand for refractories in the second half of last year has kept expectations for Cementation Ceramics' preliminaries due next

Wednesday down to the £11m. pre-tax mark being predicted last September. This would still be some 40 per cent. up on last year, however, after the £1.3m. rise to £8m. in the first half although it would be only 17 per cent. up on 1973. A downturn in the European steel industry is thought to have affected the refractories side, but could have been offset by improved demand for clinkers, better business for industrial sands as a result of the upturn in the glass, container industry and a slackening of raw material prices.

Other results expected next week include the preliminaries for Fife Cement, Bedlam, Bedlam's Breweries, and Corals.

Wednesday, at the end of the first half, of the figures for which are to be announced on Wednesday.

A measure of caution about unhelpful factors such as the general fall in demand for cement and for reinforced steel, pre-tax

figures for 1975 profits, due on Tuesday, of £32m., £1m. below the profits due on Monday are

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BUILDING SOCIETY RATES									
	Deposit	Share	Sub'n	Term	Rate	Acrets	Share	Share	Share
Abbey National	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Alliance	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Anglia	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Birmingham Incorporated	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Bradford and Bingley	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Bristol and West	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Bristol Economic	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Cardiff	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Cathedral	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Chelsea	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Cheltenham and Gloucester	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Citizens Regency	6.75%	7.25%	8.75%	7.25%	6.75%	8.75%	8.75%	8.75%	8.75%
City of London	7.00%	7.50%	8.25%	7.50%	7.00%	8.25%	8.25%	8.25%	8.25%
City and Metropolitan	6.75%	7.25%	8.75%	7.25%	6.75%	8.75%	8.75%	8.75%	8.75%
Coventry Economic	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Derbyshire	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Gateway	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Grenwich	6.00%	7.10%	8.25%	7.10%	6.00%	8.25%	8.25%	8.25%	8.25%
Guardian	6.75%	7.25%	8.25%	7.25%	6.75%	8.25%	8.25%	8.25%	8.25%
Halifax	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Hastings and Thanet	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Heart of Oak and Enfield	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Hendon	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Huddersfield and Bradford	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Leamington Spa	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Leeds and Holbeck	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Leicester	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Liverpool	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Magnet & Planet	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Merton Permanent	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
National Counties	7.00%	7.25%	8.25%	7.25%	7.00%	8.25%	8.25%	8.25%	8.25%
Nationwide	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Newcastle Permanent	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Northern Rock	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
North London	7.30%	8.00%	8.25%	8.00%	7.30%	8.25%	8.25%	8.25%	8.25%
Norwich	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Paisley	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Property Owners	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Prudential	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Skipton	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Sussex Mutual	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%
Town and Country	6.50%	7.00%	10.00%	7.75%	6.50%	10.00%	10.00%	10.00%	10.00%
Woolwich Equitable	6.75%	7.00%	8.25%	7.00%	6.75%	8.25%	8.25%	8.25%	8.25%

U.K. CONVERTIBLE STOCKS 12/3/76									
	Size (fm.)	Current price	Terms*	Conversion date	Flat yield	Red. yield	Prepaid	Income	Cheap(+/-) Dear(-/+)
Alcan Aluminium 5pc Cv. 89-94	12.00	75.00	100.0	76-80	12.5	12.5	12.5	12.5	12.5
Associated Paper 5pc Cv. 85-90	1.40	77.00	200.0	76-83	12.5	12.5	12.5	12.5	12.5
Bank of Ireland 10pc Cv. 91-96	10.25	140.00	35.7	77-90	7.5	5.9	15.3	16	45.0
BPS Type Cv. 99-04	4.98	99.00	62.0	78-80	7.8	7.8	5.1	4.1	3.7
English Property 5pc Cv. 98-03	10.16	133.00	234.0	76-80	4.8	3.0	3.0	2.7	10.5
English Property Cv. 00-05	15.40	119.00	150.0	76-84	10.3	10.3	10.3	10.3	10.3
Group Metropolitan 10pc Cv. 91-96	12.39	104.50	120.2	73-78	16.0	16.0	16.0	16.0	16.0
Hanson Type Cv. 88-93	4.51	93.00	57.1	71-77	7.2	7.2	7.2	7.2	7.2
Hawthorn Leslie 5pc Cv. 85-90	1.40	101.00	125.0	76-80	10.0	10.0	10.0	10.0	10.0
Hewden-Stuart 5pc Cv. 1995	0.72	150.00	260.0	76-80	10.0	10.0	10.0	10.0	10.0
Lyon's 3pc Cv. 98-03	3.80	88.00	267.0	75-81	8.4	8.4	14.7	14.7	14.7
Slough Estates 10pc Cv. 87-92	5.50	133.00	153.0	76-87	10.0	10.0	10.0	10.0	10.0
Tower Hamlets 5pc Cv. 1981-86	1.10	85.00	40.0	76-81	10.0	10.0	10.0	10.0	10.0

* Minimum £2,000 & min. notice 4-3 mths. £3,000 & 5 yrs. including bonus. £3,000 2 yrs. fixed. 4th notice 2 yrs. £3,000 & min. £3,000 over 2 yrs. 7.75% over £3,500. £7.50% over £3,000. notice after 4 mths. £2 yrs. £2,000 min. £1,000 2 yrs. fixed. £3,000 min. £1,000 3 mths. notice. £4 yrs. over £3,000. £2,000 and over £3,500. £8,000 min. £2,000 3 mths. notice. £10,000 min. £5,000 3 mths. notice. £12,000 min. £6,000 3 mths. notice.

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STOCK EXCHANGE REPORT

Late mark down after disappointing trade figures

Share index 1.8 lower at 410.0—Properties down again

Account Dealing Dates

First Declar Last Account Dealings Dealing Day Option

Dealingions Dealings Day

Feb. 23 Mar. 4 Mar. 5 Mar. 16 Mar. 8 Mar. 16 Mar. 19 Mar. 20 Mar. 22 Apr. 1 Apr. 2 Apr. 13

"New time" dealing may take place from 10 a.m. two business days earlier.

British Funds and leading equities were lowered in the late dealing yesterday following the February trade figures, which were well below most expectations. Earlier gains of 1 in long-dated gilts were erased by the close, while fractional losses in the shorter maturities were extended a little further and ranged to 1. Despite the modest late setback, conditions were much calmer, underlying sentiment being helped by the absence of an increase in Minimum Lending Rate and the relatively steady performance of sterling.

Securities index "new time" dealing was 1.8 lower at 410.0, a loss of 0.04 at 81.80, after a low of 80.96 on the week.

Game of two or three pence in the equity leaders at the House close were replaced by losses of that amount in the "after-hours" dealing. Up 1.4 at 3 p.m., the FT 30-share index closed 1.8 down on balance at 81.00, but still remained 1.2 up of 80.78 on the week. Activity was again at a low ebb, the week's average daily bargains were 7.48p.

Second-line equities continued to attract selective support, but the overall trend was narrowly mixed. Rise just had the edge over fall in Financials, while the FT 100-share index was 0.4 up, after being altered at 189.25 but recorded a gain of 2.35 per cent on the week. Sectorwise, the interim report took Galloway Brindley up 2 to 48p. Brown Properties remained unsettled by news that Amalgamated Investors finished 11 harder at 39p and Property is being placed following the chairman's comment. Further falls meant on possible forthcoming

ranging to around 5 were reflected in a loss of 1.3 per cent more for the subsection, making a reaction of 5.5 per cent over the week.

Sterling again played a part in the investment currency premium which, after eases initially, responded to moderate institutional demand to close a net 21 points up at 194.4 per cent. Yesterday's SE February trade figures, which were well below most expectations, were erased by the close, while fractional losses in the shorter maturities were extended a little further and ranged to 1. Despite the modest late setback, conditions were much calmer, underlying sentiment being helped by the absence of an increase in Minimum Lending Rate and the relatively steady performance of sterling.

Securities index "new time" dealing was 1.8 lower at 410.0, a loss of 0.04 at 81.80, after a low of 80.96 on the week.

The big four Banks ended the week on an easier note with Lloyds, at 223p, down 3; the "new" nil-paid shares receded 2 to 13p premium. Foreign issues performed similarly, with Standard Chartered 3 down at 370p and the "new" nil-paid shares 1 like amount down at 22p premium.

Leslie and Godwin escaped

the 1.8 down in the steady insurance brokers' Composite, intended to cheapen late, with Commercial Union 3 off at 123p.

"Royals" lost an early gain of 1.4 to 125p, in which the steady insurance brokers' Composite

ended 1.2 up at 126p.

Little of interest took place in the Drincks sector. Arthur Bell touched a 1973-76 high of 150p before closing a net 1.6 down at 150.4, while W. & G. Bell, on the other hand, receded that much to 183p on the preliminary figures.

L. Fairclough featured Building, rising 10 to 216p in its preliminary results. Taylor Woodrow improved 8 further to 369p for a rise of 20p on the week, while the other two building and property bars altered at 189.25 but recorded a gain of 2.35 per cent on the week. Sectorwise, the interim report took Galloway Brindley up 2 to 48p. Brown Properties remained unsettled by news that Amalgamated Investors finished 11 harder at 39p and Property is being placed following the chairman's comment. Further falls meant on possible forthcoming

benefits from share transactions.

Chemicals were featured by Fibers, which receded 18 more to 250p following

370p for a loss on the week of 23.

Stores had a quiet day and sentiment still upset by the pro-

posed £20m "rights" issue.

ICL held at 81p, but "Glossies"

reached from an all-time peak of 213p, and Marks and Spencer, 197p, closed 1.4 up at 205p.

Afternoon London closed at 195.82, loans rallied 4 to 274p in 150p paid form, following Press

mention.

Reed Executive rise

After registering small improve-

ments, miscellaneous industrial

leaders reacted on the disappearance of the "rights" issue.

Commercial Union closed at 195.82, loans rallied 4 to 274p in 150p paid form, following Press

mention.

After Thursday's retreat on

Amalgamated Investment and

Property's liquidation news,

Property leaders became steadier

yesterday to end a little changed.

Standard Chartered 173p, 170p

and 173p, and MEPC 149p, 145p,

closed 1.4 up at 180p.

Elsewhere, Reed Executive

responded to favourable invest-

ment comment and rose 3 to 216p.

Johnson, Matthey and Gleave

ended 3 down at 213p.

Unilever closed unchanged at 430p, after

43p.

Scattered mixed changes were

registered in secondary issues.

Thomas, Rubin

son jumped 11 more to 80p, still

reflecting the unexpectedly good

second-half, while Weyburn gained

10 further to 165p and Wolf Elec-

tric Tools rose 5 to 160p, the last

named ahead of Thursday's

luminous statement.

Halliwellers raised 5 to 157p, NL Holdings closed at 86p, the price quoted

recent issues was incorrect. Else

where, Penrad slipped 1 to 223p

following details of the compi-

mented funding arrangements

Yarrow, in Shipbuildings gained

4 more to 160p.

Foods had little to command

them.

Associated British edged

up a penny more to 85p, while

Confectioners had Taverne

Bridge 2 harder at 117p, and

Geo. Bassett 3 better at 70p. Fol-

lowing a Press report on the

industry.

On a dull note, Asso-

ciated Fisheries at 25p, gave up

2 of the previous day's rise of 3.

Hotels and Caterers had an

earlier bias, Grand Metropolitan

21, 20p, and Ulsteran

softened a little, while

Ulsteran 24p, and Prince of

Wales, 50p, lost 2 and 3 respec-

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Shell surge on

Shell ended a particularly

strong week, only marginally

below the best, comment on the

preliminary figures and current

prospects promoted fresh inter-

est, which took the price up to

424p before a slight

softening to 422p, up 6 on the

day and 38 on the week.

Investment currency influences

pushed Royal Dutch up 4 to 128p, but other Oils lost firmness. British Petroleum drifted down 6 to 807p

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lowing a Press report on the

industry.

On a dull note, Asso-

ciated Fisheries at 25p, gave up

2 of the previous day's rise of 3.

Hotels and Caterers had an

earlier bias, Grand Metropolitan

21, 20p, and Ulsteran

softened a little, while

Ulsteran 24p, and Prince of

